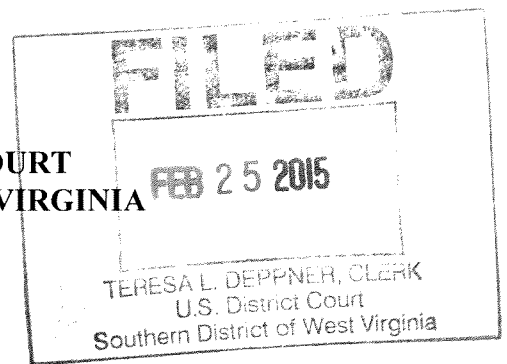


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA

CHARLESTON DIVISION



UNITED STATES OF AMERICA,

Plaintiff,

v.

CRIMINAL ACTION NO. 2:14-cr-00114

RONALD BARNETTE,

Defendant.

EXHIBIT LIST

Gov't No.	Def't No.	Court No.	Date Identified	Date Admitted	Description	Location*
	1		2-25-15	2-25-15	letters on behalf of the Defendant	Clerk
		1	2-25-15	2-25-15	memorandum of understanding	Clerk

*Location options: Clerk; U.S. Atty; U.S. Marshal; Pl. Atty; Def. Atty; agency

February 18, 2015

Via Hand DeliveryHonorable Thomas E. Johnston
United States District Court
Robert C. Byrd United States Courthouse
300 Virginia Street East
Charleston, West Virginia 25301Re: *United States v. Ronald Barnette* (Criminal No. 2:14-00114)

Dear Judge Johnston:

Please find enclosed fourteen sentencing letters being submitted on behalf of Defendant Ronald Barnette. Mr. Barnette is scheduled to be sentenced by the Court on February 25, 2015. By this letter, I am also providing a copy of these letters to Probation and to counsel for the United States.

Please let me know if you have any questions regarding this matter.

Sincerely,



Michael B. Hissam

MBH/md

Enclosures

cc: Jeffrey D. Gwinn (via email)
Meredith George Thomas, Esq. (via email)

DEFENDANT'S EXHIBIT
<i>Ronald Barnette</i>
CASE
NO. <i>2:14-cr-114</i>
<i>2-25-14</i>
EXHIBIT
NO. <i>1</i>

Cornerstone Family Fellowship

Pastor: Richard Belcher

PO Box K; Whitman, WV 25652

Phone: 304-239-0001

To whom it may concern,

I am writing this letter as a character reference for Ronnie Barnette, he has been my friend for over 15 years now. I have known him both privately and as an employee. I consider him to be as good a friend as I could have. Through the years I have been privy to many instances in which Ronnie has helped many people and organizations with both his personal assistance or financial donations. While I worked for Dignity Hospice Ronnie supported financially numerous times to help with programs that would serve the terminally ill in our community that did not have insurance or any other means to provide their medicine or nursing care. Each time that he helped he always made it his wish that no one gave him the credit for meeting the need. He didn't want any publicity for entirely meeting a need that usually would be funded by many contributors. While working with Ronnie I have witnessed him time and time again help someone in the community when they came in the shop needing support for some charity or needing something repaired. I have seen him take an employee off a job in the shop and have them repair or weld something that a local needed fixed on their car or some other project. He never asks to be paid or recompensed in any way. At times it's a total stranger that comes in and needs something and he is always helped. Once I saw a man come in needing to borrow a piece of construction equipment to repair a local yard that was damaged in a flood. Ronnie had us load the Bobcat on a truck and haul it to the residence. The man kept it for over a week and when we went and picked it up it was severely damaged but Ronnie never said a word and had it repaired at his own expense. I have never seen him complain about giving or helping people. I know that during a recent flood he let his employees go and help with the cleanup of a local church and he paid them as if they were working. Many times he has gone himself or sent help for local elderly that have fallen in their homes or have some other need. As a pastor myself, while working for Ronnie, he always pays me when I have to leave to go visit the sick or preside over a funeral. He treats me as if I was on the job many times while I am doing pastoral or community work. He always finds a way to help others and has never turned anyone down that I know of. He is very important to the community and to his employees. Forty or so people rely on his leadership to keep them working. I have known him to sacrifice his profits to keep his people working or to maintain their wages or insurance. He truly cares about his employees as friends. He also has helped the church where I pastor more than a few times and never wants any recognition for it. Ronnie is a giver to the community and this community would miss his presence. His employees would be hard pressed to find employment if he were not available to lead them. Many of the charitable organizations would lose a valuable partner if he was not there to help. These are just a few of the instances that come to mind as I write this letter.

As a friend I have no better than Ronnie Barnette. I value character and faithfulness both of which I have found in him. I know that there is nothing he wouldn't give or help me with if I needed it. He has proven that to me over and over. I don't know anyone that knows him that has anything bad to say about him. I know he is not perfect but he is a true and honest friend that is there when you need him. I would trust him with anything and everything I have. I write this from the bottom of my heart and don't have to stretch the truth to give him a good character reference.

Ronnie is a good man and I hope that you will do everything in your power to help keep him available to our community. The community needs him, the churches need him, and his employees need his continued leadership and support. He would never say anything to take credit or to express his own importance to all of us so I have tried to do it for him in these few words.

Yours Truly,

A handwritten signature in cursive script that reads "Richard Belcher". The signature is written in black ink and is positioned below the "Yours Truly," text.

Richard Belcher

Employees of Mining Repair Specialist
PO Box 644
Holden, WV 25625
304-239-3710

October 1, 2014

Re: Character Reference for Ronald Barnette

To the Honorable Judge Thomas E. Johnston,

This letter is being written by the employees of Mining Repair Specialist on the behalf of Ronald Barnette who is being charged with making a false statement to federal investigators. Most of us being the employees of Mining Repair Specialist have worked side by side with Ronnie for over a decade and can say with great certainty that any involvement with illegal activities is extremely out of character for him.

The charges pitted against Ronnie took a tremendous toll on our business, Mining Repair Specialist. Almost overnight, a business that we all worked as a team to build lost a vast majority of its business. As a consequence about 95% of us were given low earnings layoffs. Since that time, which has been several months, not a single one of us has actively pursued other employment. This is not because we are lazy or biding our time. Mining Repair Specialist is a great place to work because we believe in Ronnie and each other. You see, Ronnie is not your typical owner. He worked every day he was available at the shop. If he needed to swing a sledge hammer he would do whatever it took to get the job done. We all have tremendous respect for Ronnie as a worker and a businessman. In addition, Ronnie earned respect from us and others by creating an excellent working environment. Here are some examples;

- Extremely Competitive Pay Scale
- Fully Paid Health Insurance
- 401K Plan
- Fully Paid Membership to Recreation Center
- Yearly Christmas Party in which all Employees receive generous bonuses.
- Invested over \$60,000.00 in Air Scrubbing System for Employee Health and Safety

As you can see, Ronnie created an atmosphere of goodwill toward his employees and it means a great deal to us.

I am sure you will receive many subsequent letters explaining what Ronnie means to his community and his family and we as his employees have been witness to a lot of his good deeds, but from his employees point of view we can just say this, he is our leader and we need him. A sentence of incarceration will be

detrimental to our future at Mining Repair Specialist as we try to rebuild this company. We are confident your decision will be just and prudent, but if at all possible please show leniency toward Ronnie. We can promise you the compassion will not be wasted and if there were anyone deserving of it, we the employees of Mining Repair Specialist, believe it to be Ronald Barnette.

Sincerely,

The Employees of Mining Repair Specialist

Randolph Thomas Clemens

George W. Lusk

Hubber Barnette

Freddie Gore

Antony Pizzilli

Chadwick

Tim DeBarney

Israel Chapin

Ransom Chapin

Michael Collins

Marcus Conley

Alvin Hall

To: Honorable Judge Johnston

Date: 10/08/2014

Re: Ronnie Barnette

Please let me introduce myself. My name is Michael D. White and I am a retired employee of the Logan County Board of Education. I worked for the BOE for 39+ years and 26 of those I served as principal of Holden Central Elementary School which is located next door to Mining Repair, Ronnie's business.

From day one on the job at HCES the Barnettes welcomed me to the community. I found Ronnie Barnette to be a great asset to our school and the students. He always gave freely of his time and resources to help benefit the school facility and more especially, the staff and students.

On one occasion I had convinced the BOE that our antiquated heating system needed to be updated and replaced with HVAC systems. A large

delivery truck arrived at the school one day with fourteen (14) self-contained HVAC units. The delivery driver told me that he was only to deliver them to the school and it was our responsibility to unload them. I called Ronnie and explained my dilemma. Ronnie sent an entire crew of men from his shop to unload the HVAC units he also sent a forklift and had his men place the units on the roof of the school. This, by itself helped me, the school, and saved the BOE the cost of renting a forklift.

Many times through the years Ronnie would sponsor magic shows and guest speakers/performers that would deliver the message to the students To Just Say No to Drugs. He once made a donation to the school to fund a Math program that the students could access from school or home. Our standardized test scores in math went up that year. He also sponsored a similar program for Reading and our students were recognized for reading more books

than any other West Virginia school that participated in that program. One last thing I would like to share is that **every year** he would ask for names of students who wouldn't have a Christmas and every Christmas a sleigh would stop at those children's homes and **they would have Christmas.**

I have found through the years that Ronnie is a kind and compassionate man who values the worth of children, education, and church.

Michael D. White, retired

Past State President of WV Principals Association

2003 WV Reading Principal of the Year

mickey@chasnet.com

304-687-0334

WOOMER, NISTENDIRK & ASSOCIATES, PLLC
Certified Public Accountants

231 Capitol Street • Suite 400 • Charleston, West Virginia 25301 • Phone 304-342-2006 • Fax 304-342-2007

February 9, 2015

Honorable Thomas E. Johnston, Judge
6610 Robert C. Byrd United States Courthouse
300 Virginia Street, East
Charleston, WV 25301

Dear Judge Johnston:

I am writing in reference to Criminal Action 2:14-CR-00114 involving Ronald Barnette, who is being sentenced for making a materially false statement to investigators in the Mountain Laurel kickback scheme.

I have been Ronald Barnette's accountant for more than twenty-five years. I have come to know him well on both a personal and professional level. I believe I am in a position to speak for Ronald's moral character, so I hope you will take this letter into account when making your decision.

Ronald knows what he did was wrong. He regrets doing what he did and he wants to go forward with his life.

Ronald is, in short, a decent person. He has always been kind and generous with others. He has a strong sense of duty, which applies to his family, faith, community and work. I know one of the heaviest burdens Ronald carries has been his employees' loss of livelihood and its impact upon them.

Since I became Ronald's CPA in 1988, not once has he asked me do anything that was improper. I have witnessed many of his dealings and have never seen him take unfair advantage of others.

If you have any questions or if I can be of any assistance in regard to information about Ronald please do not hesitate to contact me.

Sincerely,


Robert L. Nistendirk, CPA

Wednesday October 1, 2014

U.S District Court
Charleston, WV

Dear Sir/Madam:

This letter is to ask for mercy for our friend, Ronnie Barnette. We have known Ronnie and his family for much of our entire adult lives. We have attended church, social functions, school functions and community outreach projects and hunting adventures. He is an anchor in our community. If he is incarcerated his legacy will die. He has always supported the community not only monetarily but also with hard labor, that is the person he is.

Ronnie has worked closely with The National Wild Turkey Federation for many years supporting it anyway he could. He is an avid hunter and really cares about the future hunters, our children. Being a father and grandfather he knows the importance of teaching children how to respect and be good stewards of the environment that God has given us.

We have spent time with Ronnie and his family at their home. Ronnie has always displayed traits of a person with integrity. He always has a smile on his face because he is a happy family man. He makes friends with everyone he comes in contact with. That is who, Ronnie Barnette is.

Again, Ronnie is an anchor in our community. We would ask for the lightest sentence possible of home confinement or probation. We know he has learned a valuable lesson during this entire ordeal. Freedom and life are precious commodities. Through this difficult and dark time in his life we think he has learned to be more thankful and will savor each moment of life. Ronnie has always been a good role model. Given the opportunity to keep his freedom we know he will continue to be an outstanding citizen for Logan County and West Virginia.

Thank You,
President of the Logan Area Chapter of the National Wild Turkey Federation


Doyle Gore

Secretary/Treasurer of the Logan Area Chapter of the National Wild Turkey Federation


Linda Gore

SPROUSE & FERGUSON, PLLC

Attorneys At Law
230 Capitol Street

Suite 300
Charleston, West Virginia 25301

James M. Sprouse (1923-2004)
Mark A. Ferguson

Telephone (304) 342-9100
Facsimile (304) 342-9119

October 16, 2014

Honorable Thomas E. Johnson
United States District Judge
Southern District of West Virginia
6610 Robert C. Byrd United States Courthouse
300 Virginia Street, East
Charleston, WV 25301
P.O. Box 2546
Charleston, WV 25329

Re: Ronald Barnette

Dear Judge Johnson:

I am writing on behalf of my friend and client Ronnie Barnette, whom I have known and worked with on multiple matters for many years. I hope to provide you with background on Ronnie so you can more fully appreciate who he is. He has built multiple, successful businesses in Logan County, and other parts of the state, over a career of more than a quarter century. These have all been strong family businesses, which have provided employment to many of his fellow citizens and other benefits and enjoyment to an even larger part of his community.

Ronnie has always enjoyed the highest reputation among business associates, colleagues and friends, and our relationship has always been professional and satisfying to me, both as a lawyer and as a friend.

Because of this reputation, Ronnie is well known for his judgement and honesty. Like many of his other friends and associates, I would always be confident with his word and his handshake, relying on what I know to be his very strong character.

I am hopeful that this provides some insight and assistance to you, and brings a better appreciation of the quality person that Ronnie is.

SPROUSE & FERGUSON, PLLC

Honorable Thomas E. Johnson
United States District Judge
Southern District of West Virginia
October 16, 2014
Page 2

Sincerely,

A handwritten signature in dark ink, appearing to read 'M. A. Ferguson', followed by a long horizontal line extending to the right.

Mark A. Ferguson

MAF/bap

October 10, 2014

The Honorable Justice Johnson
United States District Court
Charleston, WV 25301

Dear Justice Johnson;

Ronald Barnette has been a friend and business associate of mine for more than twenty eight years. During this time, in my profession as a banker, Mr. Barnette has been my financial client involving numerous large dollar business loans and other transactions; I have always found him to be extremely honest, professional, forthright, and cooperative.

I also know that Ronnie is a charitable man, he is compassionate; gives of his time and money to his church and to his community. As a result of his support of the business community, the community as a whole and his charitable giving, he was recently recognized by the Logan County Chamber of Commerce as the Entrepreneur of the Year.

I ask that these matters receive your consideration as you address the matters involving Mr. Barnette before your court.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph E. Raymond", with a long, sweeping horizontal line extending to the right.

Joseph E. Raymond
137 Newcomer Road
South Charleston, WV 25309

October 13, 2014

Honorable Judge Johnston,

We are writing on behalf of our family member, Ronald (Ronnie) Barnette. It is our pleasure to convey to you the person we know as Ronnie Barnette.

Ronnie married Diana, a family member, about 27 years ago. We have enjoyed their company on many occasions. They always host the family dinners and events that is accompanied by many children, teens, adults, and the elderly. The love and devotion that he displays at all times is admirable. He makes his guests feel as if his home is theirs. Ronnie and Diana's home, is warm, welcoming and so very enjoyable. They make sure all ages are engaged and comfortable.



When he and Diana married, he became a step father to Diana's daughter, Leah. It was a seamless union and Ronnie treated Leah as his own. Leah's daughter was adopted by Ronnie to provide love and stability to a young child's life.

Ronnie was quick to give back to the community by donating to various causes, opening a theatre and family restaurant that was much needed in an impoverished area. He desired to see the community to have successes and opportunities that were much needed.

Another attribute that was evident to his friends, workers, and family was that no matter what the task, he worked harder and longer than any of us. He would never ask us to do anything that he wouldn't do himself.

In closing, Ronnie Barnette is a truly humble individual. His unpretentious demeanor is evident when visiting his home, work or in the community.

Sincerely,



Vernon and Terry Elkins

26 Golf Meadows
Chapmanville, WV
25508

Jim Frye
159 Nighbert Avenue
Logan, West Virginia 25601

October 11, 2014

Dear Judge Johnston.

I am writing in reference to the character of Ronald (Ronnie) Barnette of Holden, WV. I have known Ronnie for the last 8 years when I first met him through my work for PepsiCo and the Logan County Chamber of Commerce. As his family opened the Fountain Place Cinemas, it was apparent that he was very community minded and enjoyed opening a fun destination for families in Logan County and the surrounding area.

In my roles as President of the Logan County Board of Education, President of the Logan County Chamber of Commerce, Past President of The Aracoma Story, Inc., Board Member of the Hatfield McCoy Convention & Visitors Bureau, Advisory Board Member of Children's Home Society's WECAN Program, and active member of the Kiwanis Club of Logan, I have seen and experienced Ronnie Barnette's generosity first hand as his businesses have sponsored numerous events in the community and supported many programs to benefit children in our area. Some of the events and programs that I am aware of include a business partnership with Holden Grade School, sponsorship of children's sports teams, support of the WECAN Christmas Party for at-risk children, help at the Kiwanis Club's Bicycle Safety Rodeo, financial support of many projects and events done by The Logan County Chamber of Commerce and Hatfield McCoy Convention & Visitors Bureau, support and sponsorship of community theatre companies, and being an all around active member of the community near his home in Holden and the rest of Logan County.

I believe that Ronnie Barnette's actions in the community speaks volumes for his character and I appreciate the opportunity to write to you on his behalf. Should you have any questions of me, please contact me at your convenience (304) 752-8952.

With regards,

A handwritten signature in black ink, appearing to read 'Jim Frye', with a stylized, cursive script.

Jim Frye

Honorable Thomas E. Johnston, Judge
6610 Robert C. Byrd United States Courthouse
Charleston, West Virginia 25301

October, 28th 2014

Judge Johnston:

I have seen thousands of support letters over the years in my service to the court here in Logan County. I serve as Chief Probation Officer to the 7th Judicial Circuit I have been in this position for 30 years. Today I find myself on the other side of this process writing instead of receiving these letters for my Judge.

Today, I write a support letter on behalf of Ronald Barnette. I have known Mr. Barnette for 20 years. I have watched him grow his businesses here in Logan County providing good jobs to families in southern West Virginia. Mr. Barnette works side by side with his employees garnering their respect and admiration. Mr. Barnette is a leader of men.

Mr. Barnette is active in his church and provides financial support. This statement does not capture the true essence of his charitable giving in his community. Ronnie is one of the good guys.

Judge, I have seen the results of criminal acts on victims of crime. I have also witnessed the effects of a criminal conviction on defendants. Mr. Barnette has made a positive impact in Logan County. I hope the court will take these positives into consideration when deciding on a sentence for Mr. Barnette.

Sincerely,

Charles E. Brown

Glenn T. Yost
President

P. O. Box 1706
414 Dingess Street
Logan, West Virginia 25601

W. W. McDonald Land Company

October 14, 2014

Honorable Thomas E. Johnston, Judge
United States Southern District Court
Charleston, West Virginia

Dear Judge Johnston,

I am writing to offer a character reference for Ronald "Ronnie" Barnette who is scheduled to be sentenced in your court. I have known Ronnie for a number of years and first met him with my business dealings with the mining industry. Since then, I have worked with him on numerous business projects and have the upmost respect for his character and honesty from the work on these projects. His business dealings are well known throughout the community as he was recently selected entrepreneur of the year by the Logan County Chamber of Commerce. He and his wife give much of their time to community projects such as the Chamber of Commerce, CVB, Kiwanis, Wildlife Federations, and have sponsored many community events through donations of their money and time. No doubt our community needs more individuals as charitable as Ronnie.

I also have gotten to know Ronnie on a personal level as I have spent time with him in a social and leisure setting. Again I have great respect for his character as a friend, father and loving husband. I assure you Ronnie feels great remorse for his actions which has lead him into your court.

By way of this letter, I ask the court to have leniency on Ronnie in his sentencing.

Sincerely,



Glenn T. Yost, President W.W. McDonald Land Co.;
Board of Governors Southern WV Community &
Technical College; Director/Treasurer Hatfield McCoy
Recreational Trail Authority; Director/Audit Committee
Chair Logan Bank & Trust; Chairman Hatfield McCoy
Convention & Visitors Bureau; Director Logan County
Chamber of Commerce

W. W. McDonald Land Company

Phone: 304-752-7233

Fax: 304-752-7261

November 1, 2014

The Honorable Judge Johnson
U.S. District Court
Charleston, WV 24304

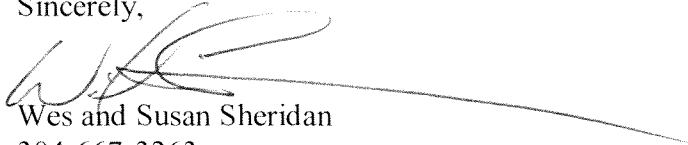
Dear Judge Johnson,

My name is Wes Sheridan. I am contacting you regarding Ronald Barnette. My wife Susan and I have owned Natural Stone Sign Co. LLC in Pickaway, WV for the last 15 years. If you have visited the West Virginia State Fair over the years you may have seen us there. Through our business many years ago we met Ronnie. After getting to know the Barnettes we became good friends. Over the years we have spent a great deal of time at family get togethers, or simply fishing on the lake. What drew us to Ronnie is that he is truly a good, caring, hard working person. Whatever he does you can be sure his heart is in the right place. He cares deeply about his family, friends, and the community he lives in. I cannot speak more highly of any other person I know, I am proud to call him my friend.

Susan and I pray that you will consider this upon sentencing Ronnie.

Thank you for taking the time to hear our thoughts. Feel free to contact me personally on this matter.

Sincerely,



Wes and Susan Sheridan

304-667-3263

Gary Lee Corns
285 Riverside Drive
Logan, WV 25601
304-752-5537
glcorns@hotmail.com

The Honorable Thomas E. Johnston, Judge
6610 Robert C. Byrd United States Courthouse
300 Virginia Street East
Charleston, WV 25301

RE: Ronald Barnett

Your Honor:

I am a friend and former business partner with Ronald Barnett. I'm writing to ask for leniency from the court on Ronnie's behalf. His crimes are non-violent in nature and I feel, purely the result of poor business judgment.

I have known Ronnie for nearly twenty years and I've never seen him behave angrily or vindictive toward anyone. In my experience, he has always been very affable toward all. He and his wife have been extremely active in numerous community efforts that benefit the least fortunate among us. I cannot recall a single occasion when Ronnie has behaved unkindly toward anyone. As a business partner, Ronnie put more sweat equity into our fledgling business than any of the other partners. He worked evenings and weekends doing menial tasks that we could have easily paid others to do. I feel he did this to make certain we understood he intended to be more than just an equity partner in the business. He was committed to doing the hands on tasks to get our business going, and he did. When I could no longer support the losses in the business, he graciously bought me out at full price, even though he could have rightly discounted the value.

In closing, I don't see how Ronnie is a danger to anyone and I don't feel prison time could improve his character in any way. I simply ask the Court to show mercy to Ronnie, his wife and family by commuting or reducing his sentence. Thank you for your prayerful consideration of his case.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Lee Corns", written in a cursive style.

Gary Lee Corns

From Kenneth (Pete) Browning

Dear Honorable Judge Johnston

I'm writing this letter in regards to my friend Ronnie Barnett.

I met Ronnie in 2002 when I started attending the same church with him. I immediately seen that Ronnie was very selfless and caring for people and would give you the shirt off his back. He gave me an opportunity, when I was struggling as a carpenter doing just odd jobs, to build an apartment building for him. I had to get my Contractors license and then get insured. I had no money to pay my insurance and without asking he wrote me a check for \$4,500 and didn't want me to pay him back. In the summer of 2013 Ronnie bought an older house in the community where we both live just to tear it down and remove an eyesore. The house had newer oak cabinets and a heating and cooling system that was just a couple years old. I had called and offer to try and buy them from him because we were trying to upgrade our house. Ronnie called me and told me that I could have them and they were estimated at about \$15,000 to \$20,000. In January of 2014 I formed a non-profit organization called Recovery

Group of Southern WV, an addiction recovery group, and Ronnie was one of the first people to step up and support us with a \$200 per month commitment. With his continued support and many others in our community, we now have a 15 bed men's sober living home and as I'm writing this letter we are ready to close on the loan for a home for over 20 women.

Ronnie is a pillar in our community and beyond. He is one of the most selfless men and helps so many people and doesn't try to get recognized for what he does. We all make mistakes and I know in my heart that Ronnie is thinking about others in almost all of his decisions. I too got into trouble because of bad choices but Ronnie never casted judgement on me but just the opposite, he reached out to help me in a bad time in my life. Ronnie has inspired me to help others because of the selfless acts that I have witnessed from him. Please consider who this man really is and not by the one bad decision he made. Ronnie will continue to help others in need because that's who he is. So please consider going easy as you possibly can on him because I believe he truly deserves it.



West Virginia State Police Bureau of Criminal Investigation

Memorandum

Interviewee	Ronald and Diane Barnett	Case Report #	Mt. Laurel Investigation
Address	[REDACTED]	Memo #	03-22-14-001
DOB	Ronald [REDACTED] Diane [REDACTED]	Date of Interview	03-22-14
S.S.N.	[REDACTED]	Time	1750 hours
Phone	[REDACTED]		
Phone (other)			
Location	Barnett residence		
Interviewers	Wolfe, Parde, Boytek, Rowley, and Bowie		
Others Present			
Reference	Mt. Laurel Investigation		

On Saturday, March 22, 2014 at approximately 1750 hours Ronald and Diane Barnett were interviewed at their residence in Holden, WV. The Barnett's advised that they do a lot of work for the Mt. Laurel Coal Company, but only do "big" jobs. They advised their company, Mine Repair Specialists, obtains the Mt. Laurel business from Ronnie Mullins who sends out bid requests. They advised the bids used to come to them from a former employee at Mt. Laurel named Mark Kimler. They stated that Steve Herndon used to be the purchasing person for Mt. Laurel, but advised they did not "deal" with him. However, they advised they did get purchasing orders from Herndon. Ronald and Diane Barnett stated they never had any direct dealing with Dave Runyon, but did hear of rumors of people paying money to do business at Mt. Laurel. Ronald Barnett stated he has heard this "kind of thing" his entire career working in the coal mining industry.

They then advised they had just hired Rupee Phillips who had been laid off from White Armature due to low sales. They stated they hired him, because he had a lot of sales experience and knows the industry.

They were then shown checks by Agent Bowie that they had cashed. Diane Barnett stated these checks were for trips they made to Las Vegas for gambling. She advised their taxes records will show wins and losses and they always report them to their accountant, Bob Nistendirk. Diane Barnett advised her salary with the company is \$52,000 but pays herself in "dividend" checks instead of a payroll check. She then advised she had just recently completed an IRS audit and only had to pay \$2000, and this particular mistake was made by her accountant. She then stated that Ronnie had been doing this type of work since 1987 and heard rumors of shops, "buying the work". However, they stated they never paid anyone to get work at Mt. Laurel. They then advised when senior management people would come from St. Louis, Mt. Laurel would always bring the executives to their shop as "the showpiece". They advised their shop is the best and most professional in the area. They advised they do repair work for Mt. Laurel that is very technical and only their shop can complete in the repair of "bolters and miners".

They advised the bid process occurs when Mt. Laurel notifies them a particular job is available. They review what is needed to make the repair in detail and then send paperwork back to Mt. Laurel with their bid attached. Ronald Barnett advised the market is really slow at the moment, but his company is doing well. He then advised they have had the same employees since 1987, and tries to pay his employees well so he does not have high "turnover" of employees. He stated he also has a 401k program for his workers at MRS. He then stated he also does work for Cliff Resources, Cam Mining, and Lone Mountain which are all ARCH owned mines. However, he stated most of his business is with Mt. Laurel Coal Company.

The Barnett's were then asked about Keith Goins. They stated they never got a job while Goins was working at Mt. Laurel and only got their first job at Mt. Laurel when he left.

They then stated they have put a lot of the profit back into MRS and also have other businesses in Logan. They advised they own the movie theater and Gatti's pizza restaurant at Fountain Place Plaza in Logan. They stated Gatti's loses about \$400,000 a year, but they continue the business for the kids in the community. Diane Barnett stated she owns the Gatti's pizza with her good friend, Nancy Baisden. She then advised they are currently opening a new movie theater in Lewisburg, WV. Diane Barnett advised that she does all the "bookwork" for the businesses, and she and Ronald have a 10 year plan for retirement. She revealed she is proud of her "bookwork" and not having any debt. They advised they also own 2 airplanes which were "flagged" on their 2010 taxes. They advised they also developed the Bungalow Woods neighborhood in Holden, WV.

Ronald Barnett was asked about placing a bid for a job at Mt. Laurel if he ever had to pay a percentage to anyone for the work or if he was asked to pay a "kickback". He stated he did not want to answer that question. Ronald Barnett advised he never paid anyone money for work. He again stated he had heard a lot of rumors over the years. He advised he had only been to the Mt. Laurel shop, Runyon or Herndon's office, 4 to 5 times in several years. He stated that Scott Ellis was always on site at Mt. Laurel.

Diane Barnett advised they bank with Logan, Bank and Trust and payroll will be written from Mine Repair Specialists. She stated Mt. Laurel has been "good" to them and always pays them within 10 days. She then stated that George Lucas is over their "IT" department and Debbie Barnett does invoices and payroll. She advised when a "scope of work" is sent from Mt. Laurel, Ronald Barnett, George Lucas, and Bobby Barnett completes the bidding process. Ronald Barnett stated he always prices the work high, because he is bidding on a repair job that he has no idea what might be wrong with the item. Ronald Barnett stated, "you always charge as much as you can". After they determine the bid, George Lucas then sends the bid back to Mt. Laurel. They both advised they rarely talk to Scott Ellis or Steve Herndon. However, Ellis and Herndon may call to borrow a tool from time to time.

Diane Barnett then advised she and Ronald Barnett traveled to Las Vegas, NV approximately 5 times in 2010.

Attachments: Five (5) B, B & T checks written on the account of Mine Repair Specialists, Inc. by Diane Barnett for various amounts. These checks were shown by Agent Bowie to Diane Barnett for explanation.

End of Memo.